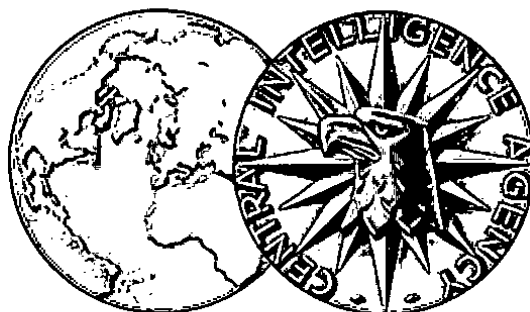


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WEEKLY SUMMARY

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H I G H L I G H T S

As the United Nations drew nearer to agreement on a one-package solution of the complex Italian Colonies question (see page 4) and continued to grope for a way out of the atomic energy impasse, the past week saw few critical developments in those areas of the world directly affecting US security.

The West German Republic has demonstrated its desire to establish closer relations with the nations of the West, apparently hoping to end dismantling and strengthen its international position (see page 2).

In the Far East, the mainland Nationalist capital of Chungking is being threatened by Communist forces, and on Taiwan, the Nationalists show no signs of achieving the unity and efficiency of administration necessary for successful defense of the island against a major Communist onslaught (see page 10).

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W E S T E R N E U R O P E

Council of Europe The basic conflict in the Council of Europe between official governmental representatives and the national delegates to the Council's Assembly was again emphasized at two recent Paris meetings. The Committee of Ministers, representing the member governments, brought a strong reaction from the Assembly's standing committee by taking a cautious, almost negative approach to the Assembly's proposals made at Strasbourg in August. The ministers agreed to admit Western Germany and the Saar to the Council as associate members, but took no positive action on such important Assembly recommendations as those for broadening the Assembly's authority, creating a European Court of Human Rights, and fostering European economic integration. Moreover, the ministers attempted to remove important issues from the competence of Assembly committees by referring them to such governmental bodies as the Office of European Economic Cooperation and UNESCO. Assembly reaction to this negative approach was immediate and sharp; in the long run, the Assembly's determination to press ahead, coupled with outside pressure for European integration, will probably force the ministers to modify their attitude and take a more positive approach in future sessions of the Council of Europe.

GERMANY

Relations with West: The West German Government, in an effort to end dismantling and strengthen its position in Western Europe, has submitted concrete proposals for closer collaboration with the nations

GERMANY

of the West. The ability of the Adenauer regime to follow through with its proposals, however, will depend in the immediate future upon the extent to which the occupation authorities meet German demands and thus enable Adenauer to overcome strong opposition to his program of collaboration. A longer-term factor governing Western Germany's capabilities for collaboration with the West is the attitude of future West German governments which might choose to ignore or to set aside any commitments made by Adenauer and the present Government. Adenauer's present proposals are aimed primarily at France in the realization that the French have been the major opponents to a liberalization of allied occupation policy. Thus Adenauer has now promised that, in return for ending dismantling, termination of the legal state of war, and an early review and revision of the occupation statute, his Government would: (1) join the international authority for the Ruhr; (2) promise to collaborate closely with the Allied Military Security Board; (3) reduce trade barriers as much as possible; (4) welcome foreign, especially French, investment in the Ruhr industries, up to 40% of the total shares in those enterprises; and (5) work for close relations with France.

Civil Service Law The West German Government's draft civil service law is a further indication of the West German desire to abandon the democratic reforms introduced by the occupation powers. Just as state and local officials have in the past attempted to subvert or abolish such western democratic concepts as freedom of the press, freedom from arbitrary police search and arrest, and the right to criticize public officials, the Federal Government is now seeking to evade allied civil service reform and,

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if possible, to nullify it entirely. Passage of the proposed law would seriously threaten the development of democratic government in Germany by accelerating the reappointment of former Nazis to high official posts and by creating the new Federal civil service on the pattern of the prewar autocratic and self-perpetuating German bureaucracy. Although the Government's proposals are strongly opposed by the Social Democratic Party, the German Trade Union Federation, and the Conference of German Cities, traditional German proclivity for a privileged officialdom, especially among conservative and rightist circles, will be difficult to overcome. Action by the High Commission to prevent reconstitution of the prewar officialdom would evoke considerable resentment, particularly among parties represented in the present Government, who would protest against allied "interference" in internal German affairs.

ITALIAN COLONIES

Solution Nearer General Assembly disposition of the long-drawn out Italian Colonies question at last appears in the offing following the overwhelming vote in the UN Political Committee for a one-package resolution. This compromise resolution, opposed only by Ethiopia which objected to postponement in the case of Eritrea, meets minimal US and UK security requirements; however, by providing early independence for Libya and Somaliland (1952 and 1960 respectively), it will hastily create two new states which are far from possessing the necessary requisites of statehood. Furthermore, the resolution carries a proviso that UN Advisory Councils of 10 members for Libya and 3 for Somaliland be set up during the pre-independence period, and these councils may offer interference unwelcome to the

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ITALIAN COLONIES

administering powers. In the case of Eritrea, the proposed UN investigating commission will probably be influenced by the rising tide of independence sentiment in Eritrea and will therefore propose a solution less favorable to Ethiopia than that envisaged in the previous US-UK proposals.

Western Labor Catholic-Socialist dissension may seriously impede the efforts of western labor leaders at the forthcoming London Trade Union Conference to reach agreement on a broadly representative new world labor federation capable of combatting Communist inroads on industrial workers in the West. The dominant Socialist labor organizations of Belgium and Holland want to exclude the Catholic trade unions of their own countries from the new international on the grounds that the Socialist and Catholic trade union philosophies are incompatible. The Catholic trade unions, claiming three million workers principally in Western Europe, resent this attempt to exclude them and will protest strongly through the French Christian Trade Union Federation. However, all the Catholic unions are not actually ready to enter the new international for fear that by so doing they would sabotage the Catholic Trade Union International, to which most of them already belong. They are, therefore, apparently faced with a choice between rejection of the new international or acceptance of whatever form of indirect association British and US labor leaders may offer. Unless some mutually acceptable formula is reached for associating these two powerful non-Communist groups, Communist appeals for "unity of action" in support of inflationary strikes may be increasingly successful.

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Satellite Trade The USSR is apparently completing its preparations for exercising direct control over the foreign trade of its Satellites through the Council for Economic Mutual Assistance (CEMA). CEMA is currently drawing up plans for 1950 trade within the Soviet orbit and between the orbit and the rest of the world, and the Polish and Bulgarian foreign trade ministries are being purged of pro-western employees. In the future, therefore, Satellite trade agreements with the West will be an extension of foreign trade policy made in Moscow. CEMA's tightened control over Satellite trade will increase the Kremlin's capability for fighting the cold war through economic measures and will probably be accompanied by greater efforts to obtain imports of strategic materials from the West.

GREECE

Communist Tactics Recent official Communist announcements indicate that the Communist struggle for power in Greece has entered a new primarily non-military phase designed to develop a more realistic basis for future party action. Aware that present circumstances are not propitious for the resumption of full-scale guerrilla warfare, the Communist leadership has decided to concentrate on political and economic warfare and on internal reorganization, although it will also continue to conduct small-scale partisan raids

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GREECE

and minor sabotage. In its attempts to re-build a popular following in Greece, the Communist Party will be aided during the next year or so by: (1) the reduction in Greek Army strength; (2) growing political disunity as the war threat fades and the 1950 elections approach; (3) the possibility of some relaxation of anti-Communist measures under Soviet propaganda pressure; and (4) Greece's still unsolved economic difficulties, including the problem of rehabilitating large numbers of refugees and the veterans to be discharged in coming months. Meanwhile, the estimated 10,000 guerrilla reserves in Albania and Bulgaria will be prepared for possible future use if and when the Kremlin feels that conditions within Greece or the Soviet position in the Balkans call for the resumption of major guerrilla operations.

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N E A R E A S T - A F R I C A

IRAN

Internal Troubles Continued popular unrest and political turmoil in Iran will probably not upset the equilibrium of Iran's chief leaders or impair the ability of the army to preserve internal security during the Shah's absence from the country. Popular unrest was brought to a head by the recent parliamentary elections. The situation is further complicated by the return to Iran of former Prime Minister Qavam, who is intent on regaining the premiership and believes he is the only person competent to deal with the current difficulties. The Majlis elections were relatively free from government and army interference, but the misconduct of individual administrators provoked numerous incidents, bitter protests from religious and opposition political leaders, and finally the assassination of Minister of Court Hajir, the Shah's righthand man, by a religious fanatic. These events led to the imposition of martial law in Tehran, the nullification of the balloting there, and a call for new elections. Meanwhile, a regency council was appointed to act for the Shah during his absence; the army, however, will continue to receive its orders direct from the Shah through Chief of Staff Razmara, who, despite allegations to the contrary, appears loyal to the present regime.

INDIA

US Aid Asked India's extraordinary requests to the US for a million tons of wheat and half a million bales of cotton, possibly in exchange for strategic materials, raise a complicated question for the US. Consummation of

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INDIA

such a deal, which would ease India's serious food problem and supply raw materials urgently needed by its textile industry, would obviously have a beneficial effect on the US position in India. On the other hand, the US would thereby become involved in the current trade war between India and Pakistan. India's present shortage of cotton is largely attributable to curtailment of its normal purchasing in Pakistan, and, possibly for political as well as financial reasons, the Indian authorities have failed to purchase such surplus wheat as is available in Pakistan. The Indian Government has presented its current need for these commodities as a special case, arguing that Pakistan will devalue its currency in the next six months, thus facilitating a return to large-scale purchasing in Pakistan, and that the wheat in question is over and beyond that which India can afford to purchase in the normal manner. Nevertheless, a US-India deal of this sort would provide India with commodities normally bought from Pakistan, and the Pakistanis can be expected to regard it as US intervention and as "another" example of US favoritism.

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F A R E A S T

CHINA

Taiwan Defenses The Nationalist administration of Taiwan, faced with growing unrest among the natives and increased infiltration by Communists, appears to be unable to achieve the unity and efficiency necessary for a successful defense of the island against a major Communist onslaught from the Chinese mainland. The reforms already adopted by Governor Chen have been beneficial, but they are inadequate for solving the critical economic and political problems of the island. The adoption of further reforms is being delayed by disagreements among various "groups" of Chiang Kai-shek's civilian advisers over the nature and degree of the reforms. The growing anti-Nationalist sentiment on the island is providing the opportunity for increased Communist infiltration among both the natives and the Nationalist armed forces. Meanwhile, Communist armies on the mainland are expected to continue their preparations for military operations against the island, which will probably take place during the early months of 1950. Such Communist operations would be the signal for native uprisings, Communist-inspired sabotage, and Nationalist defections. With the Nationalist defense effort divided between maintaining internal security and repelling Communist attacks from the mainland, the Communists would probably be in control of the island within 90 days after their first landing.

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W E S T E R N H E M I S P H E R E

HAITI

State of Siege In order to forestall the spread of unrest following a strike by several thousand students who protested governmental restrictions on political freedom, the Government recently reimposed a state of siege in Haiti. President Estime, whose tenure in office depends primarily on the attitude of army leaders, probably fears that widespread and prolonged disorders could result in his being ousted by a military junta. Moreover, if political turmoil continues, tourists would fail to be attracted to the much-publicized International Exposition scheduled to open 12 December at Port au Prince, with a consequent loss to Haiti of a large cash investment. Thus, if for no other reason than the almost certain adverse effects on the coming Exposition, army leaders will probably be reluctant to execute a coup d'etat at this time.

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